

# 2011 Military Health System Conference

## Purchased Care Sector Medical Homes

Impact, Challenges, and Way Forward Implementing PCMH “Downtown”

*The Quadruple Aim: Working Together, Achieving Success*

CAPT Christine E. Dorr, MC, USN, Medical Director, Tricare Regional Office- North

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Tricare Management Activity

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# Questions to be addressed



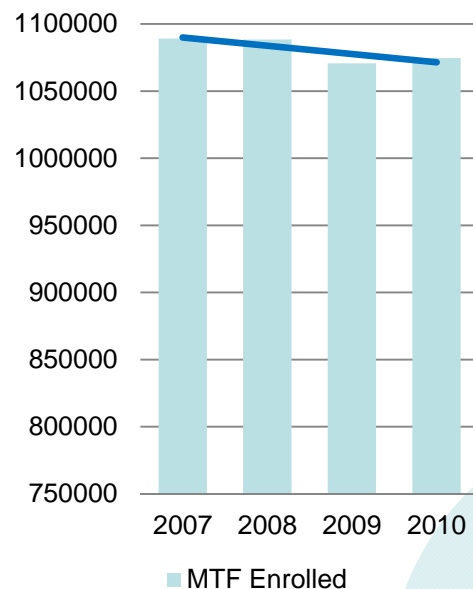
- What is a TRO?
- How is PCMH implementation outside of MHS done?
- Why does Tricare care about PCMH?
- What are we doing now?
- What is needed for greater PCMH availability to network enrollees?

# What is the TRO? Why do we exist?

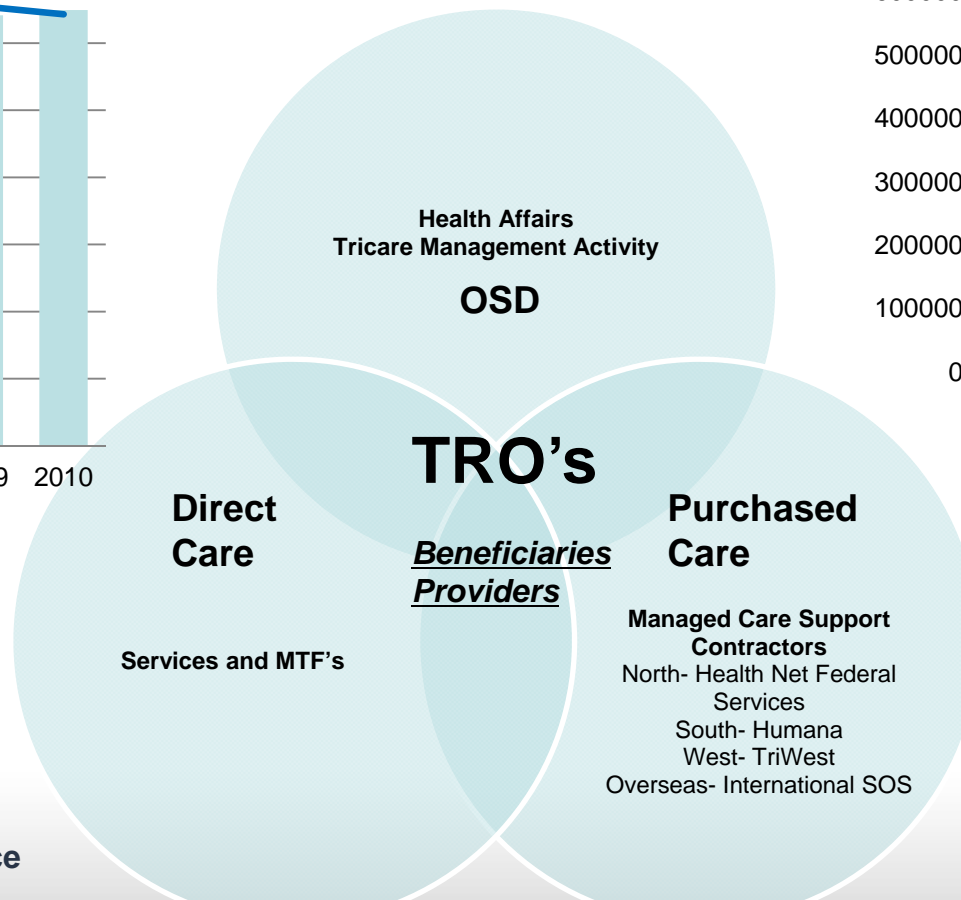
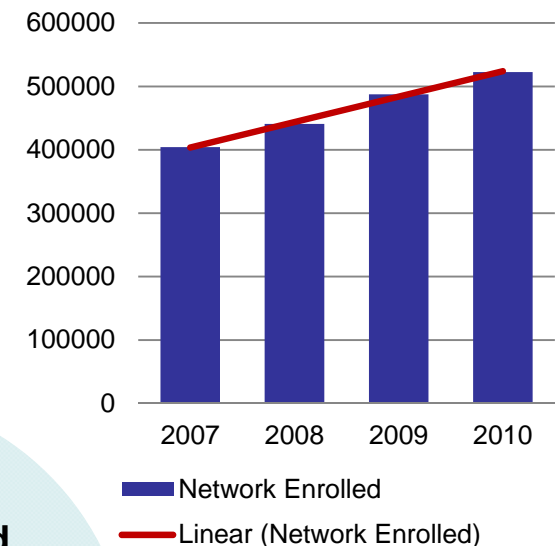


A day in the life of MHS: 9.6 beneficiaries and growing

**MTF Enrolled**



**Network Enrolled**



# Life of PCMH in US Civilian Sector



- Conception 1967
- Birth 2003-2004
- Growing Child 2006-2009
  - Private Payer Initiatives (27)
- Maturing Teen 2010-
  - CMS pilots (8)
- Adult future
  - Accountable Care Organizations

Patient  
Centered  
Primary Care  
Collaborative-  
“Nurturing  
Parent”!

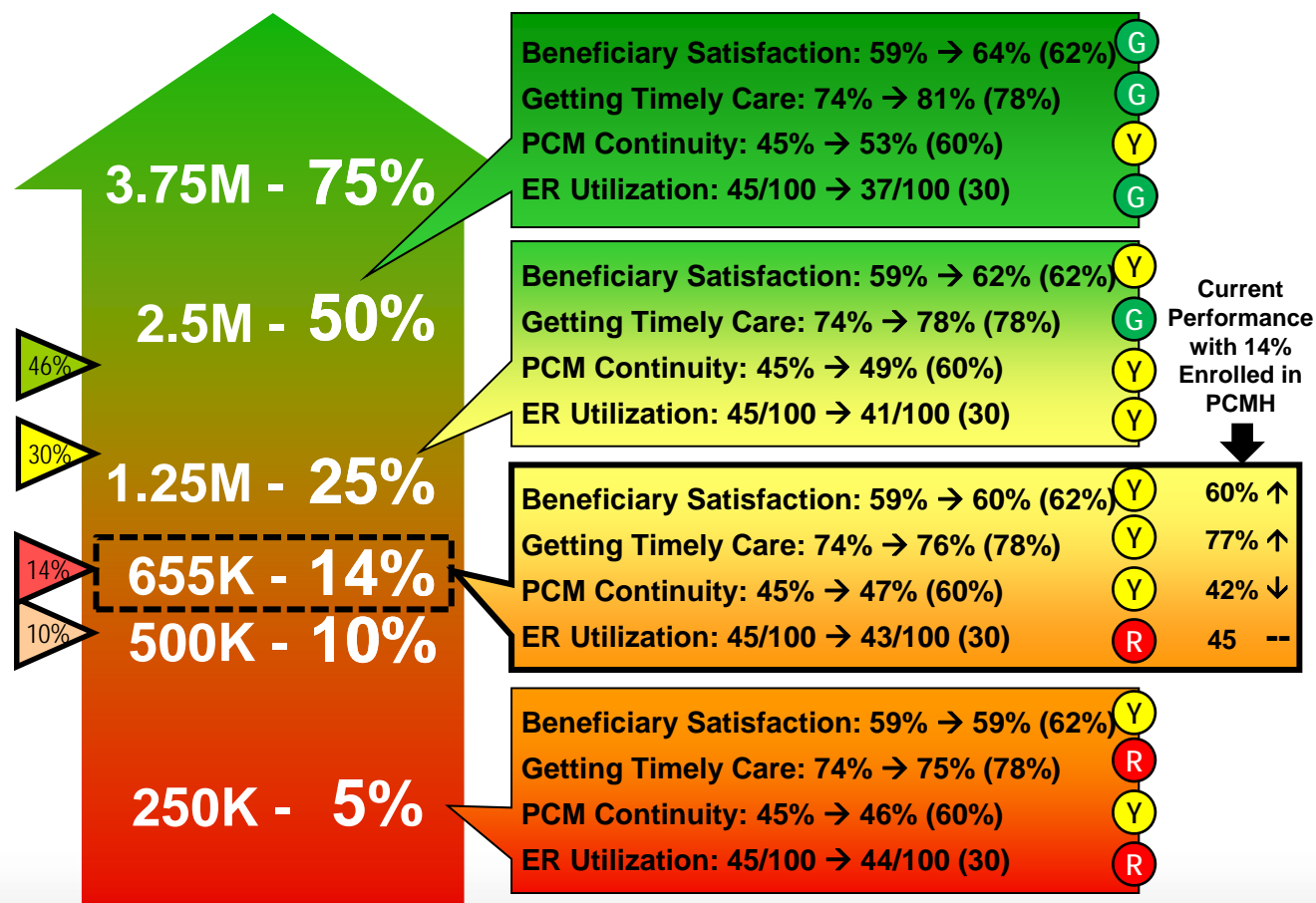
PMCH penetration in Tricare Network - reflective of greater US

# Correlating Growth in PCMH Enrollment to Quadruple Aim Performance



Expected Performance from PCMH **X** % of Enrollees Getting Care from PCMH **=** Overall Impact on Quadruple Aim

| Current Perf | Measure                           | Expected Improvement |
|--------------|-----------------------------------|----------------------|
| R            | IMR                               | ↑ TBD                |
| G            | HEDIS – Preventive                | ↑ 7%                 |
| G            | HEDIS – Evidence Based Guidelines | ↑ 4%                 |
| Y            | Beneficiary Satisfaction          | ↑ 10%                |
| Y            | Time to Next Available Appt       | ↑ 15%                |
| R            | Getting Timely Care               | ↑ 14%                |
| Y            | PCM Continuity                    | ↑ 16%                |
| R            | PMPM                              | ↓ TBD                |
| R            | ER Utilization                    | ↓ 15                 |



# Challenges to Network Penetration



- Practice/Provider Factors
  - Start up Investment (time & \$) significant
    - NCQA accreditation
    - IT systems
    - Process Improvement Projects
  - Incentive (cost/benefit)
- Systematic/Policy
  - Lack of agreement on pilot evaluation methods
  - Lack/Misaligned incentives
    - Reimbursements
    - Performance reward



# Challenges to Network Penetration



- Market:
  - Network Characteristics: Broad vs Narrow, Geographies (nationwide vs regional)
  - Tricare empanelment percentage
    - Maryland: range 0-433 patients/practice, avg. 2-5%
  - Variable Med Home Definition
  - General PCMH prevalence in community
- Population
  - Transient
    - Example: Maryland Avg. = 0.3-2.8 yrs
    - Choice of PCM as compared to MTF
    - Transfers and Moves



# US Civilian PCMH – North Example



- Pilots: 16 across 23 states
  - Q: Does PCMH deliver better outcomes? Which Outcomes?
    - Insurance based (15) No multi-state
    - Multi-stakeholder (8) No multi-insurer projects
- Tested Payment Methodologies
  - “Prospective Care Management fee” (PMPM payment)
  - Technology Grants Variable Combinations
  - Outcome Rewards
  - T-codes Care Coordination fees
  - Service fee plus up

# PCMH in TRO-North



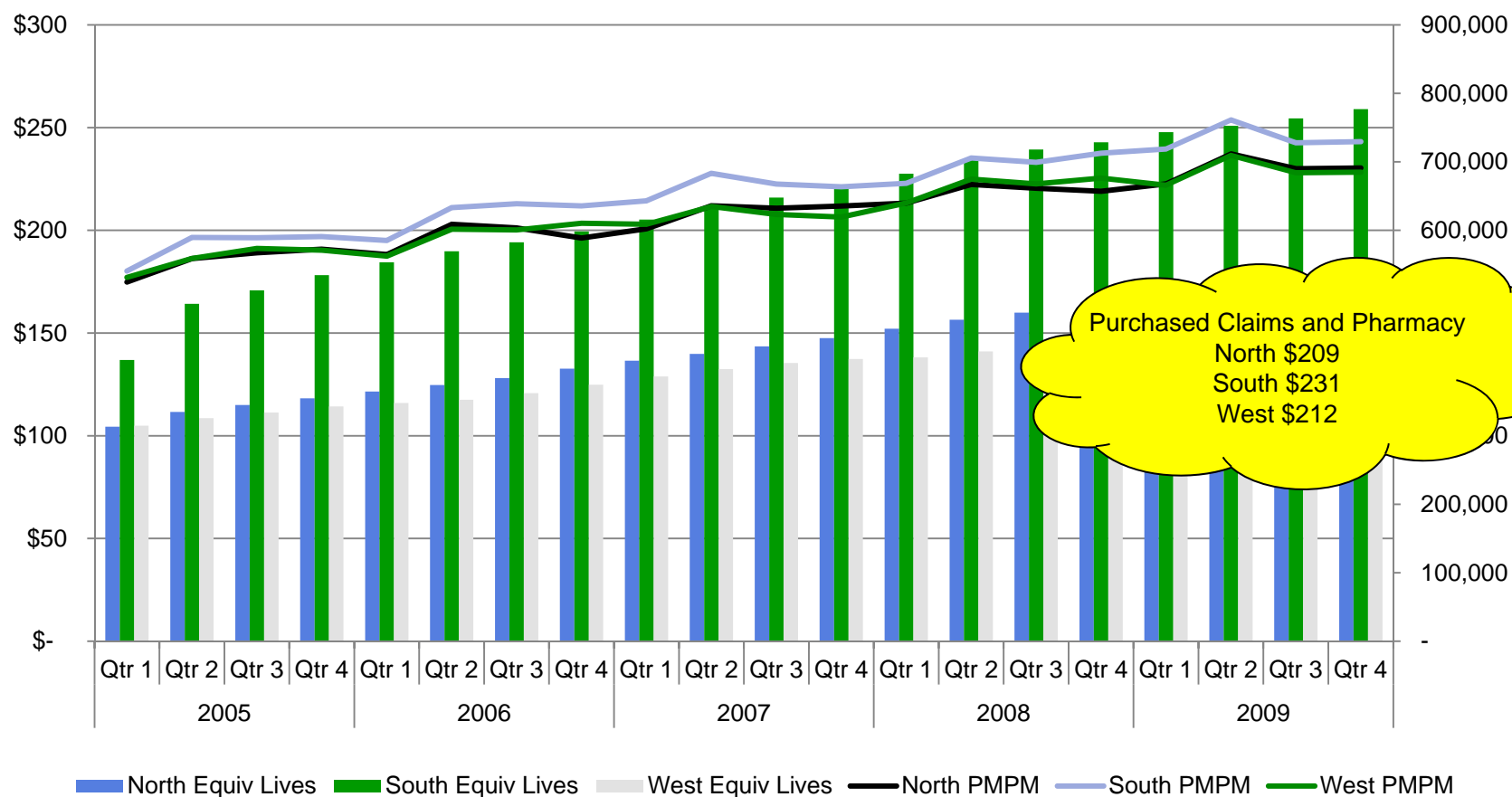
|                             | North region<br>Snapshot<br>Oct 2010 |
|-----------------------------|--------------------------------------|
| Total eligible              | ~3.1 million                         |
| Total enrollee              | ~1.5 million                         |
|                             |                                      |
| Total unenrolled (Standard) | ~2.6 million                         |
|                             |                                      |
| Network Enrolled            | 522,335                              |
| PCMH Enrolled               | 18,521                               |
|                             |                                      |
| Total Providers             | 155,324                              |
| PCMH providers              | 1726                                 |

- Current State
  - 33 total practice Tricare network PCMH sites
  - Tricare PMPM ~ \$210
  - 3.5% network PCMH penetration
- Some pilot results so far demonstrate (1-4 year f/u)
  - Cost reductions: 2-7% PMPM
  - Cost avoidance- blunted rises

# PCMH Impact



## Overall PMPM reduction plus rise decrease



# TRO Medical Home Efforts



## TRO FY11 PERFORMANCE PLANS

### MARYLAND HEALTHCARE COALITION- TRO- North

- Maryland state unique payer reporting requirements for all payers → Accurate Accounting of HC costs
  - FY09 Maryland Reports \$76. 5 Million for 94,200 Beneficiaries
    - → \$812/member
    - → approximately \$67.66 PMPM
- MHCC Goals: Practice Transformation!  
Grow Med Homes → save \$\$

# MHCC Demo Project (cont'd)

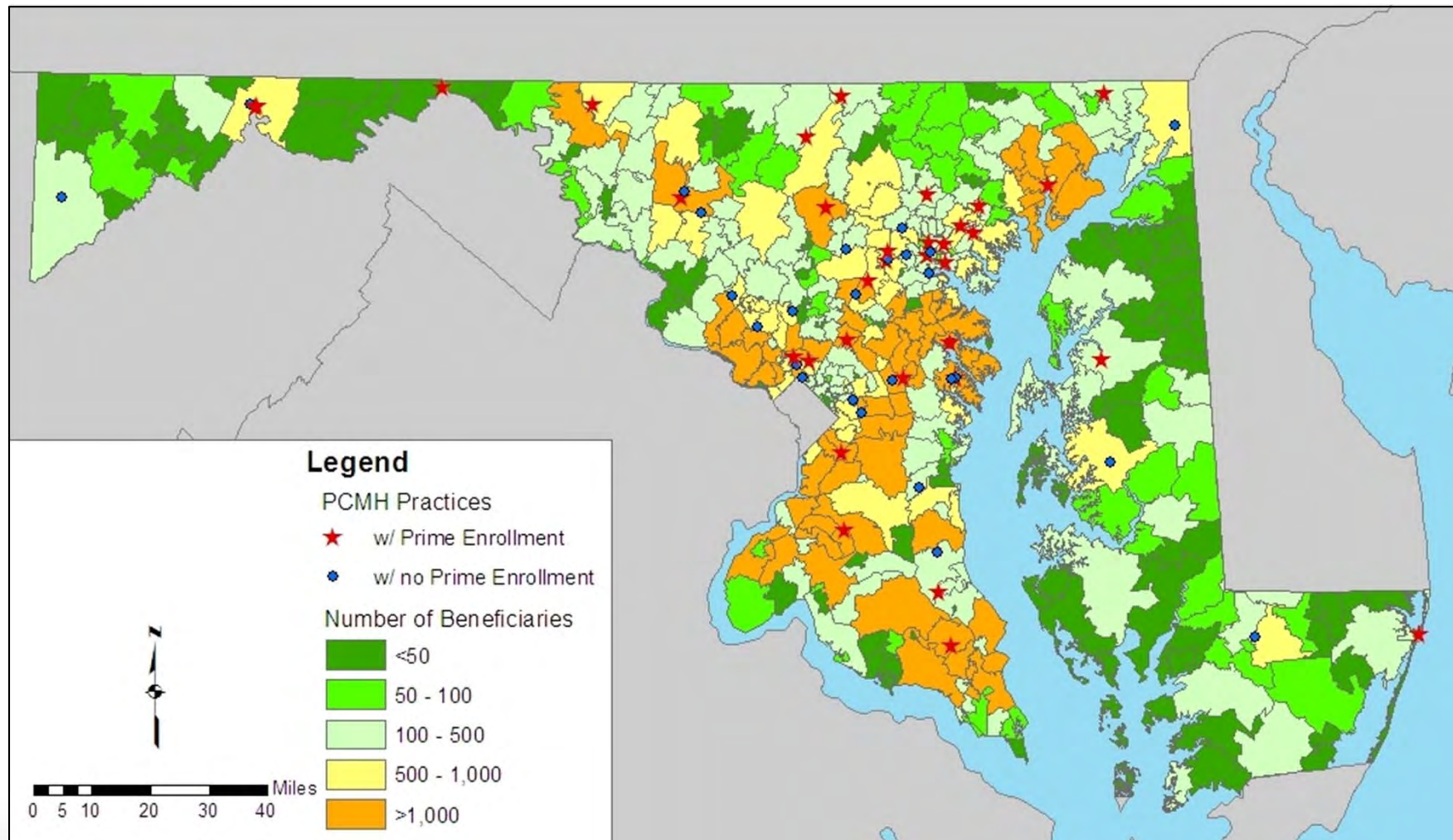


- Methodology:
  - \$300K state funded seed for Process Improvement/Lean & IT support
  - Combines semi annual capitated care coordination fee + pay for services for primary care. (\$3.90- \$9.62/pt/mo.)
  - Incentivizes practices with portion of cost savings yearly based on Auto-benchmarks
  - Projected Duration: 4 years, start moved from 4/1/11 to 7/1/11
- Leverages payer power! All major payers in MD participating to achieve practice penetration of >50%.
- 50→ now 60 Practices, 200 PCM's, 200K patients statewide all payers
  - 4818 Tricare Benes -data on Tricare Prime and Standard breakout to these practices pending
- Demo application in progress , expect to be completed by mid Jan



# Maryland Tricare Eligibles

## MD Pilot Sites & Enrollee locations



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# Way Forward



- Strategic- MHS level (2 prong approach)
  - Collaboration with Civilian Change Agents
  - Realign Incentives and Reimbursements
  - Establish evaluation plan
- Operational
  - Contract Revision
  - Policy Revision
- Tactical
  - Provider- tools and incentives for PCMH
  - Patient tools making easier to access PCMH
  - Enterprise- Communications plan promoting PCMH to Enrolled and Standard Beneficiaries